

originally purchased for use in conducting its business, are at some later date actually resold. The distinction is to be found in whether the goods are purchased or received by the enterprise with the intention of reselling them in the same form or after further processing or manufacturing, or whether they are purchased with the intent of being consumed or used by the enterprise itself in the performance of its activities.

(b) Goods, such as raw materials or ingredients, are considered purchased or received by the enterprise "for resale," even if such goods are purchased or received for the purpose of being processed or used as parts or ingredients in the manufacture of other goods which the enterprise intends to sell. For example, where the enterprise purchases flour for use in baking bread or pastries for sale, the goods will be considered to have been purchased "for resale." It is immaterial whether the goods will be resold by the enterprise at retail or at wholesale.

§ 779.249 Goods which move or have moved across State lines.

In order to be included in the annual dollar volume for purposes of this test, the goods which the enterprise purchases or receives for resale must be goods that "move or have moved across the State lines." Goods which have not moved across State lines before they are resold by the enterprise will not be included. The movement to which the phrase "move or have moved" has reference is that movement which the goods follow in their journey to the enterprise or within the enterprise to the establishment which sells the goods. Thus, if goods have moved across State lines at some stage in the flow of trade before they are actually sold by the enterprise, they will be considered to have moved across State lines. It is not material that the goods may have "come to rest" at some time before they are purchased or received and sold by the enterprise; nor is it material that some time may have elapsed between the time the goods have moved across State lines and the time they are purchased or received and sold by the enterprise. It is sufficient if at any time such goods have moved across

State lines in the ordinary course of trade before resale by the enterprise. Much of the goods purchased by retailers are produced from a local intra-state supplier. In many instances these goods may have been stored at the supplier's establishment for some time. However, as long as the particular goods purchased have moved across State lines at some stage in the flow of trade to the retailer, they would have to be included in determining whether or not the enterprise has purchased or received for resale such out-of-State goods amounting to \$250,000.

§ 779.250 Goods that have not lost their out-of-State identity.

Goods which are purchased or received by the enterprise from within the State will be considered goods which "have moved across State lines" if they have previously been moved across State lines and have not lost their identity as out-of-State goods before they are purchased or received by the enterprise. Also goods which have been assembled within the State after they were moved across State lines but before they are purchased or received by the enterprise will still be regarded as goods which "have moved across State lines." Such goods are still identifiable as goods brought into the State. This is also true in certain cases where goods are processed to some extent without losing their identity as out-of-State goods. For example, out-of-State furniture or television sets which are put together within the State, or milk from outside the State which is pasteurized and bottled within the State, before being purchased or received by the enterprise, are goods which "have moved across State lines." They have already moved across State lines and they retain their out-of-State identity, despite the assembly or processing within the State.

§ 779.251 Goods that have lost their out-of-State identity.

(a) Goods which are purchased or received by the enterprise within the State will not be considered goods which have "moved across State lines" if the goods, although they came from outside the State, had been processed or manufactured so as to have lost